GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department-Modified guidelines under "PRIME MINISTERS' EMPLOYMENT GENERATION PROGRAMME (PMEGP) in the State of Andhra Pradesh-Orders-Issued-Reg.

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INDUSTRIES AND COMMERCE (PROG-1) DEPARTMENT

G.O.Ms.No. 52 Dated: 22/09/2020

Read the following:-

1. G.O. Ms. No. 13, Industries and Commerce (TEX) Department, Dt. 20.01.2009.
2. G.O. Ms. No. 150, Industries and Commerce (TEX) Department, Dt. 22.06.2009.
3. G.O. Ms. No. 176, Industries and Commerce (TEX) Department, Dt. 15.07.2009.
4. G.O. Ms. No. 61, Industries and Commerce (MSME) Department, Dt. 20.07.2013.
5. G.O. Ms. No. 109, Industries and Commerce (Programme-III) Department, Dt. 20.11.2015.
6. G.O. Ms. No. 150, Industries and Commerce (Programme-III) Department, Dt. 02.11.2016.
7. Circular No. PMEGP/Policy/2020-21, dated 06/05/2020 of the CEO, KVIC, Mumbai.
8. Lr. No. SO/AP—PMEGP/Simplification of PMEGP Guidelines/Genl /2020-21, Dt 20.05.2020 of the Dy.CEO, KVIC, Vijayawada.
9. Letter received from the Dy. Chief Executive Officer (AP), KVIC, Ministry of MSME, GoI, Vijayawada, lr. No. SO/AP-PMEGP/Simplification of PMEGP- guidelines/ Genl/2020-21, Dt. 25.06.2020.

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ORDER:

In the reference 1st read above, Government of Andhra Pradesh have constituted District Task Force Committee in all the districts for effective implementation of Prime Ministers Employment Generation Programme (PMEGP) and notified the functions of District Task Force Committee.

2. In the reference 2nd read above, Government of Andhra Pradesh have constituted State level Monitoring Committee to review the performance of PMEGP.

3. In the reference 3rd read above, Government of Andhra Pradesh included the CEO, SERP as member in the State level Monitoring Committee.

4. In the reference 4th read above, Government of Andhra Pradesh replaced General Manager, District Industries Centre as Member –Convener in the District Task Force Committee in place of Director/ representative of Khadi and Village Industries Commission.

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5. In the reference 5th read above, Government of Andhra Pradesh included the Director, RSETI/ RUDSETI as member in the District Task Force Committee for speedy implementation of PMEGP in the State.

6. In the reference 6th read above, Government of Andhra Pradesh constituted District Level Task Force Committee duly modifying the earlier orders issued vide reference 5th cited, due to introduction of new on-line scheme for PMEGP applicants with Direct Benefit Transfer of Margin Money through Corporation Bank.

7. In the reference 7th & 8th read above, the Dy. Chief Executive Officer (AP), KVIC, Ministry of MSME, Government of India, Vijayawada while enclosing the guidelines communicated by the Central Office, Khadi and Village Industries Commission, Govt. of India, MSME, Mumbai vide their Circular No.PMEGP/Policy/2020-21 dated 06.05.2020 has informed that Ministry of MSME, Govt. of India vide letter dated 28.04.2020 informed that in order to further streamline the process of selection and expedite the flow of applications under PMEGP, the Ministry has decided that, the role of District Level Task Force Committee constituted Clause 11.9 of the Scheme guidelines is discontinued for recommendation of proposal/applications to financing banks and implementing agencies viz., KVIC, KVIB and DICs will scrutinize applications and may be forwarded to Banks. He has therefore, requested to issue orders accordingly in respect of respective implementing agencies and Banks on selection of applications and follow the simplified procedure of PMEGP guidelines.

8. Government after careful examination of the matter, hereby issues this order clearly indicating the procedure to be followed by the respective implementing agencies and Banks on selection of applications as per the simplified procedure of PMEGP under the modified guidelines in Annexure-I and the PMEGP Credit Scoring Criteria (Annexure-II) w.e.f from the year 2020-21, duly cancelling the G.Os issued vide reference 1st to 6th read above.

9. The State Director, Khadi & Village Industries Commission, Andhra Pradesh, Vijayawada shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The State Director, Khadi and Village Industries Commission (KVIC),Vijayawada.
All the Members concerned through the State Director, KVIC.
All the District Collectors in the State.
The Chief Executive Officer, KVIC, Mumbai.
The Chief Executive Officer, AP Khadi and Village Industries Board, Amaravathi.
The Director of Industries, Andhra Pradesh, Vijayawada.
Copy to: The P.S to Secretary to Hon'ble Chief Minister.
The P.S to Chief Secretary to Government.
The OSD to Hon'ble Minister for Industries.
The P.S. to Spl. Chief Secretary to Government, I & C Department.
Sf/Sc

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE-I

The Modifications in PMEGP Scheme guidelines

7. Identification of beneficiaries:

The identification of beneficiaries will be done at the district level by **the State / district level implementation agencies viz**.KVIC/State KVIB and State DICs and Banks etc. The Bankers should be involved right from the beginning to ensure that bunching of applications is avoided. The applicants, who have already undergone training of at least 2 weeks under Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Entrepreneurship cum Skill Development Programme (ESDP) or Vocational Training (VT) need not undergo EDP training again. Such applicants would also be given priority in selection.

Priority will also be given to the person affected by natural calamities/disaster in the areas which are declared as affected by "disaster" as defined under Section 2(d) of the Disaster Management Act, 2005 (53 of 2005) by the Ministry of Home Affairs.

Exaggeration in the cost of the project with a view only to availing higher amount of subsidy should not be allowed.

IBA in consultation with KVIC has devised a scoring model (score card), which is being used by Member Banks for PMEGP Cases. This scoring model shall also be **uploaded on the PMEGP - e-portal so as to be made available to the implementing agencies** and applicants for evaluating the applications received/submitted. This scoring model will form the basis for the selection of beneficiaries to be sponsored to the Banks. This scoring model will also be will also be displayed on the websites of KVIC and Ministry.

11.8 Within five working days of receipt of application, the nodal officer of KVIC, State KVIB and DIC shall interact with the applicant personally on telephone or personal meeting and confirm the receipt/ acceptance of the application for preliminary scrutiny. The nodal officer will do all the required correction in the application in consultation/cross checking with the applicant and also provide hand holding to the applicant at every stage. **The implementing agencies, after preliminary appraisal of the application will forward the complete/corrected applications directly to one of the financing bank opted by the applicant for taking credit decisions along with a copy to the Lead Bank Manager (LDM) for information and monitoring. The complete/corrected applications must be forwarded to the Banks as soon as possible in no case later than three weeks of receipt of application by the implementing agencies. Forwarding of applications must be on-line on PMEGP e-portal only**.

11.9. The agencies will appraise the applications on same methodology as followed by Banks for approval of loan. The scoring model (card) devised by the IBA, **as mentioned in Clause 7 above** and being used by

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Member Banks for PMEGP cases, will also form the basis for the selection of beneficiaries at agency level. Applications which do not score more than 60 marks out of 100 marks will be rejected with reasons and their score card sent to the applicant for rectification in future. Only applicants scoring 60 marks and above will be sponsored to the Banks **by the agencies**. Applications which do not conform to the scheme guidelines or which remain incomplete or irrelevant ever-after consultation with the applicant will also be rejected by the concerned Nodal Officer, recording reasons for rejection. Reason of rejection will also be conveyed to the applicant.**Applicant can file grievance against such rejection to the State Director, KVIC**.

11.10 A Task Force, consisting of the following members, will be set up in each district to monitor the performance of implementation of PMEGP in their respective district on quarterly basis and submit report to the Commissioner/Principle Secretary (Industries):

a	Dist. Magistrate/Deputy Commissioner/ Collector	Chairman
b	PD-DRDA / EO - Zilla Panchayat	Vice Chairman
c	Lead Bank Manager	Member
d	Representative of KVIC/KVIB/DIC	Member
e	Representative of NYKS/SC/ST Corporation	Special Invitee
f	Representative of. MSME-DI, ITI/ Polytechnic	Special Invitee
g	Representative from Panchayat (To be nominated by Chairman/District Magistrate/Collector by rotation)	3 members
h	Director RSETI/RUDSETI	Member
i	General Manager, DIC of the District	Member/Convener

11.11 There shall be an On-line Grievance Portal and a Grievance Cell to be setup by the KVIC, HQ. The Grievance Cell will act upon the on-line complaints within 48 hours and direct the concerned State Officers to take necessary action. Applicant, if not satisfied with the recommendations of the implementing **agency**, can file grievance against such rejection to the GM, DIC or State Director, KVIC of the concerned State, whoever is senior. CEO, KVIC, CEO, KVIB and Pr. Secretary (Industry) will be appellants authority for respective cases.

11.12 The Bank will appraise the projects and take their own credit decision on the basis of viability of each project**. No collateral security will be insisted upon by Banks in line with the guidelines of RBI for projects involving loan upto Rs.10 lakh in respect of the projects forwarded to them by the agencies**. However, they will appraise projects both technically and economically after ensuring that each project fulfills inter alia the criteria of

i. Industry
ii. Per Capita Investment

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iii. Own Contribution
iv. Rural Areas (projects sponsored by KVIC/ KVIBs/DICs) and
v. Negative List (Para 30 of the guidelines)

11.13. The Banks will either sanction or reject the loan application within a stipulated period. Sanction will be issued based on the online sanction letter and copies of the sanction order will be sent to the applicant (by e-mail/hard copy) as well as to KVIC/ KVIB/DIC within 30 days from the receipt of application from the District Agencies. The sanction letter will also be automatically forwarded to the concerned RSETI, or where there is no RESTI the authorized training centre, for conduct of EDP training in case where the applicant has not undergone the training. The applicants also be encouraged for online EDP Training through the online EDP Portal Udyami Entrepreneurship Development. (https://www.udyami.org.in) The prescribed EDP training is mandatory before releasing of loan by the Banks.

25. Rehabilitation of Sick Units

Sick units under PMEGP for their rehabilitation will be linked with RBT's Guidelines for rehabilitation of sick small scale industrial units issued to all Scheduled Commercial Banks from time to time.

ANNEXURE-II

CREDIT SCORING CRITERIA - PMEGP

The model is based on a set of characteristics which are grouped as Personal, Business and Collateral.

The acceptable borrower should get a minimum score of 50 out of 100 for loan upto Rs.10 lakhs and for loan above Rs.10 lakhs minimum score of 60 out of 100.

Name of Firm/Borrower:

1. Personal details : (In case of non-individual details of main promoter to be captured)

Sr. No.	Parameters	Maximum marks	Marks scored	Criteria	Marks
1	Age	6		25 to 40 18 to 24 41 to 49 50 & above	6 5 3 2
2	No. of dependents	2		Upto 3 >3	2 0
3	Owing a house/parental	5		Yes No	5 2
4	Residing at the same address/location	5		5 years and above 2-5 years Less than 2 years	5 3 2
5	Academic qualification	4		Graduation Intermediate or More Metric Below Metric	4 3 2 1
6	Experience in the line of trade	8		= > 3 years 1 to 3 years < 1 year Nil	8 6 3 0
7	Any other sources of Income incl. family	5		Yes No.	5 2
8	Assessed for Income Tax	2		Assessed Not assessed	2 1
9	Have life insurance policy (PMSBY, PMJJBY, APY or any other insurance policy) * Point 1 for each, max 3)	3		Yes No	* 0
	MARKS SCORED	**40**			

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2. New Venture/Firm

Sr. No.	Parameters	Maximum marks	Marks scored	Criteria	Marks
1	Relationship with lending Bank	5		Above 3 years 1 to 3 years < 1 year New	5 3 2 1
2	Credit History	5		Very Good Satisfactory No history	5 4 3
3	Location advantage (availability of infrastructure, raw materials, labour, proximity to markets etc.)	5		Yes No	5 3
4	Skill Certification Course/RSETI/ ITS / Computer Knowledge	5		Yes No.	5 2
5	Marketing Tie Ups for sale of products	5		Yes No	5 2
6	Line of activity	5		Mfg/Service Trade & Others	5 3
7	Registered with Govt. authorities viz for sales Tax/ Vat/ licence from local bodies/ shop act etc.	5		Yes No **	5 3
8	Repayment period (not applicable for only working capital loans)	5		Upto 5 Years Above 5 Years	5 3
9	Employment Generation	5		Above 5 3 to 5 Self employed	5 3 2
10	Avg. DSCR (not applicable for working capital loans)	5		> 2 1.2 to 2 < 1.5	5 3 2
	MARKS SCORED	**50**			

**** To be followed up and completed**

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3. <u>Security</u>

Sr. No	Parameters	Maximum marks	Marks scored	Criteria	Marks
1	Collateral securities coverage: Not covered under CGTMSE/CGFMU/ CGSSI OR	10		100% & above 50% to <100% Less than 50%	10 8 6
2	Covered under CGTMSE/CGFMU/ CGSSI	10			10
	MARKS SCORED	**10**			

Approved by

Appraised by

Name

Date

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP